

Senate Defeats High Tax on War Profits

Finance Committee's Plan
Adopted by Vote of
72 to 7

Radicals Checked By Administration

Seeks to Go Slow in Dis-
turbing Industry
and Business

By C. W. Gilbert

WASHINGTON, Sept. 5.—The Senate Finance Committee's schedule of excess profits won in the Senate to-day, won handsomely by a vote of 72 to 7, in a series of votes on amendments that proved the radicals to be in a hopeless minority. It will raise \$1,000,000,000 more than the present tax, and the top rate is 50 per cent.

The Finance Committee's plan won because the Administration wanted it to win. This is important. It makes little difference what the attitude of a majority of the Senate is toward the business of the country. It makes much difference what the attitude of the Administration is, and the attitude of the Administration just now is one of caution. The vote proved it.

The intention is plainly to go slowly until it is shown just how price fixing and profit taxing work. The Administration is seeking no panic. It wants to be sure. That is the reason why it restrained the radicals whom it could control and approved a compromise that falls far short of taxing profits as the English are taxing them.

"Let Us Win the War First"

A new watchword is heard here in Washington. It is "Let us win the war first." Applied to profit taking it means it is much more important that we should maintain the financial and industrial solidarity which are necessary to win the war than that the last percent of tax should be extracted from business or that the lowest possible price should be fixed for war products. Applying it to prices, I should say that the present tendency is to emphasize getting the requisite amount of product rather than fixing the lowest possible price. The copper price will be made this week. It will be interesting to see whether it does not show, like the adoption of the war profits tax, the same conservative tendency to take no chances, but to "win the war first."

What has happened is the inevitable. We have gone so rapidly in the direction of radicalism that the public does not realize how far we have gone. The Administration, having the responsibility, does realize the distance. It has measured its obligations and has decided to halt with the burden of the war, of food control, of price fixing, of labor adjustment, of profits taxing on its hands, and with all the unknown effect of its untried policies to face and at the same time a war to be won.

A Turn to Conservatism

Progress is not all steps forward. There are the inevitable turns toward conservatism, and this defeat of the radicals on taxation, with the aid and approval of the Administration, is one of those turns.

The evidence that the moderate excess profits tax represents the wishes of the Administration and its present mood toward the economic situation was unmistakable. There was the activity of Administration agents, men like "Ollie" James, who never bestir themselves except at the command of the White House and who were busy in forming the combination following the meeting of the Finance Committee and the adoption of the compromise rates, a combination so well knit together that it resisted all the efforts of the radicals to weaken it.

There was the solidity of the combination itself. In a leaderless body such as the Senate is to-day, composed of all sorts of petty groups with all sorts of views and opinions, a solid front is presented unless the hand of the White House itself is felt. And furthermore the votes of the Administration followers in the Senate showed that the will of the White House was known.

The pressure hand was not disclosed openly. Apparently he wants to be free, when the experimental stage of excess profits taxing is passed, to have his own policy without any responsibility for what was done to-day. For these reasons adopted to-day are in the minds of every one experimental.

Revision Upward Expected

Many Senators declare their belief that they will soon be revised upward. And many who voted against higher rates to-day expressed a willingness to vote for higher rates in the future when they may be shown to be necessary and capable of being borne without disturbance to business.

Heavy pressure has been brought to bear on the business interests of the country, especially the smaller business organizations, against radicalism, either in excess profits taxing, or in price fixing. Labor organizations, as usual, have been heard from in behalf of their employers. Apparently, this propaganda, coming at a time when the Administration was very naturally asking itself how far it had not for the present gone far enough, has had its effect. By what has been said it is not hard to see that a radical thing has not been done in the rates that have been fixed. A measure of what has been

ANOTHER GLORIOUS GERMAN VICTORY



British Ship Losses Increase; Twenty Sunk Last Week

LONDON, Sept. 5.—For the fourth week in succession, the losses of British shipping from attack by submarines show an increase. Last week twenty vessels of more than 1,000 tons and three under that tonnage were sent to the bottom. While this marks an increase of two over the number of major ships sunk during the preceding week, it shows a correspondingly falling off in the number of smaller vessels destroyed. Apparently, the U-boats are concentrating against the larger ships, as the Admiralty announces that there was no loss in fishing vessels, which formerly have suffered heavily at the hands of U-boat commanders.

Ever since the week ending August 5, the weekly toll exacted by the German submarines has risen steadily, the figures for the four successive periods, including the major ships only, being fourteen, fifteen, eighteen and twenty. The record for July, when 175,000 tons of British shipping was destroyed according to official announcement, was bettered in August, though only slightly, and the maintenance of the average of the first week in September for the entire month will show a considerable increase over all preceding figures since June, when the high total of eighty-five vessels was lost.

The fluctuations from week to week since the "black" period of April are shown in the following table:

Week ended	Over 1,000 tons	Under 1,000 tons
April 21	10	15
April 28	10	15
May 5	10	15
May 12	10	15
May 19	10	15
May 26	10	15
June 2	10	15
June 9	10	15
June 16	10	15
June 23	10	15
June 30	10	15
July 7	10	15
July 14	10	15
July 21	10	15
July 28	10	15
August 4	10	15
August 11	10	15
August 18	10	15
August 25	10	15
September 1	10	15
September 8	10	15

Defies Reichstag Majority

Hanover Army Head Orders Stricter Press Ban

COPENHAGEN, Sept. 5.—Apparently to add point to the ultimatum of the Reichstag majority to Chancellor Michaelis that steps must be taken before the Reichstag reassembles this month toward abolishing the political censorship, the military commander for the 7th Army Corps district, at Hanover, has just issued an order instituting a preventive censorship on all brochures, pamphlets, leaflets, etc., touching upon matters of public interest.

The order applies to mimeographed and typewritten publications and those intended only for private circulation. Violators of the order may be imprisoned for a year.

Kerensky Would Suppress Finns

PETROGRAD, Sept. 5.—The Governor General of Finland has returned to Helsinki for opposition by armed force, to any act of the Finnish local government which he deems inimical to the welfare of Russia.

Women Arrested as Leaders In Plot to Restore Czar

Conspirators, Discovered by Kerensky, Partisans
of Old Autocracy—Minister Asked to Quit—
More Grand Dukes Reported Under Arrest

PETROGRAD, Sept. 5.—The arrest of Grand Dukes Michael and Paul and their wives was the result of evidence of a monarchist plot obtained by Premier Kerensky at the Moscow conference last week. The leaders were women, Mlle. Margaret Hitrovo, of Tobolsk, and Mme. Liubov Hitrovo, of Yelaburg, members of a well known bureaucratic family. Both are prisoners.

Grand Duke Dimitri Pavlovitch was also reported to have been arrested, but this has not been confirmed. Yarovodny, Minister of Justice, has been asked to resign, it is stated, because he failed to unearth the conspiracy to restore the autocracy and the throne of the Czar. Kerensky is said to have asked the Minister to quit his post.

In addition to the members of the Romanov house, the police have arrested numerous other persons alleged to have participated in the plot to place on the throne one of the Grand Dukes, presumably Michael, who was Czar for a day after the abdication of Nicholas. In the home of Grand Duke Paul was found a mistress of the old Romanov court, Mme. E. A. Naryshkine, confidante of the former Dowager Empress Alexandra Feodorovna. Mme. Naryshkine was arrested, but her correspondence was not seized. A Colonel Dietz was also arrested at Gatchina.

The "Birzheviya" says a number of officers and other grand dukes have been arrested, but the state's attorney refuses to divulge their names.

A special council was held yesterday by Premier Kerensky and the chief ministers, at which plans for future action against conspirators were laid. An indictment against the Hitrovo women and their accomplices already has been drawn up.

The Ministry of Justice refuses to give out any facts concerning the arrests. According to some of the newspapers, however, the headquarters of the monarchist conspiracy is in the Crimea, where other grand dukes and duchesses and the Dowager Empress live under surveillance. In the Crimea the newspapers assert, there recently has been founded a society under the name of "Forward for the Czar and Holy Russia," which was detected organizing and training "czarist" propagandists, with the design of sending them to the front to revive monarchism in the army.

Grand Duke Paul was arrested last night. The assistant commander of the Petrograd district, with a detachment of picked soldiers, arrived at Tsarskoye-Selo and read the order for his arrest. The assistant commander stated the arrest was by order of Premier Kerensky. Later, the same officer visited Gatchina and arrested Michael and his wife. A Colonel Dietz was also arrested at Gatchina.

The "Birzheviya" says a number of

Russian Fleet Ready for Battle

WASHINGTON, Sept. 5.—The Russian fleet in the Baltic, aided by submarines, is preparing to meet the German naval forces which are sweeping up the coast of Riga, according to official dispatches which reached the Russian Embassy here to-day.

A great sea battle, these dispatches say, is expected off Kronstadt, the fortress of Petrograd. German minesweepers are clearing the waters for the advance on the Russian capital.

There is no improvement in the morale of the Russian armies, especially behind the fronts, the embassy reports indicate. Soldiers are said to be going home in large numbers.

**German Army Advances
33 Miles Beyond Riga
In Pursuit of Russians**

LONDON, Sept. 5.—The Germans are advancing beyond Riga, in pursuit of the retreating Russians, with amazing speed, having already crossed the Līvonia River and some thirty-three miles northeast of the evacuated seaport, and captured Duenamünde, at the mouth of the Dvina.

Along the coast the Russian forces apparently show some semblance of order, but further to the east the troops are in precipitous flight. The left wing and centre of the Twelfth Army is declared by Berlin to be crumpled in ward to an alarming degree, while the Russian rearwards on the Aa have been wiped out.

There is a suspicion here that the German advance guard consists largely of armored motor cars, cavalry and

Peace Meeting In Vienna Set For November

Hungarian Indorsement of
Wilson Note Stirs Ire of
Berlin Paper

President's Ideas on Reforms in Germany

State Department Officials
Say He Will Demand
Ballot Changes

AMSTERDAM, Sept. 5.—A dispatch to the "Weser Zeitung" from Budapest says Austrian and Hungarian delegations will meet in Vienna in November to discuss internal and foreign politics and the question of peace. Far-reaching decisions probably will be taken, it is stated. Two Hungarian newspapers, the "Az Est" and the "Magyar Ország," fully agree with the views expressed in President Wilson's reply to Pope Benedict's peace proposals, to the great disgust of the "Vossische Zeitung," of Berlin, which asserts they take a view which is almost incomprehensible.

The "Az Est" says: "President Wilson's reply is so clear that every true friend of peace, every patriot, can indorse it. America adheres in this note without reserve to the policy of peace without annexations, which is most important for Hungary."

The "Magyar Ország," organ of the Independence party, says: "All real pacifists must be grateful to Mr. Wilson. He who from the standpoint of peace condemns Mr. Wilson's note has sold his soul to the war devil and does not wish peace. From the Hungarian viewpoint, therefore, he is the enemy of peace."

Pacifists Grateful

The National Liberal "Schwaebische Merkur," of Stuttgart, commenting on the Wilson note to the Pope, says: "From all experience heretofore it must be assumed that everything possible will be done to keep the American people enmeshed in a web of error and prejudice, but if it is possible to break the spell it will be through such drastic revelations as the Soukhomlinoff case. But when the calumny collapses, with which President Wilson introduces his note, which, after all, does not end in the rejection of the Pope's proposals, then at least the way will be open for the development of the peace idea within the scope of the note itself."

"And collapse must come when the full significance is realized of the fact that the German Emperor would have prevented the war had not the Russian war machine succeeded in thwarting his noble purpose."

Use Note to Aid Loan

President Wilson's reply to the Pope is being turned to account in Germany for propaganda purposes in connection with the seventh war loan, announced for mid-September. Money-raising efforts are to be made on an unprecedented scale, especially in the rural districts and in connection with ecclesiastical property and other trustee funds.

The Merchants' Guild of Berlin has issued an appeal to the nation to show its determination to stand by the Emperor by record of subscription. The city, has joined Hamburg and Bremen in the manifestation of loyalty to the Emperor. It has sent a message to him, denouncing "the miserable and stupid effort of the President of the United States to drive a wedge between the Kaiser and the people."

Wilson Called Dictator

The Emperor answered a similar message from Bremen, expressing confidence that the attempt to sow discord will end in failure. In the meantime the German newspapers continue their voluminous comment.

The "Koenigsche Volkszeitung" suggested a series of mass meetings to make clear to President Wilson that the German nation "scornfully rejects his insinuations."

The "Cologne Gazette" prints a vehement article, saying Germany will not make peace with her enemies, but not with the United States until the latter liberates itself from "its corrupt and plutocratic dictatorship, especially of Wilson and Lansing."

"We Germans," it goes on, "say to the citizens of the United States that we would not change our well ordered liberty for your corrupt, sham democracy."

Socialist Organ Attacked

"Vorwaerts" has fallen foul of its own party organ, the Socialistic "Internationale Korrespondenz," over its moderate tone regarding President Wilson. This paper says that "Vorwaerts" stands alone on President Wilson's side and that no other organ of German democracy stands with it.

The "Neue Badische Landeszeitung," a moderate organ which heretofore has been for compromise, is quoted as saying:

"Even if we carry through democratization and give President Wilson all the guarantees he asks, it would not avail, because Mr. Wilson is bent on peace of the mailed fist and aims at making our people the slaves of foreign nations."

What Wilson Wishes
In German Reforms

WASHINGTON, Sept. 5.—It was indicated at the State Department to-day that the governmental reforms necessary in Germany before the United States will treat with that country include radical electoral progress, without which it was believed the desired democratization of Germany would not take place.

It was not stated whether the changes required in the voting system would be to take the character of universal and equal suffrage, but it is believed that an elective Reichstag, chosen on that principle, with a minority responsible to the Reichstag, would meet the demands of President Wilson.

U. S. Agents Raid I. W. W. Throughout the Country; Seize Men and Records

German Papers and Pacifists Watched by Secret Service

WASHINGTON, Sept. 5.—Searching inquiry into the utterances of German language newspapers in the United States, socialist magazines and literature of so-called peace societies and associations, regarded as likely to lead to prosecution in some instances, is being conducted by the Department of Justice.

The department considers its position strengthened by the recent decision of Federal Judges Hough, of New York, and Speer, of Georgia, in sustaining the action of Postmaster General Burleson in refusing the privileges of the mails to "The Masses" and "The Jeffersonian."

Recent utterances and activities of Mayor Thompson of Chicago and his paper, "The Republican," in connection with the convention there of the People's Council of America for Democracy and Peace also are being scrutinized.

The department has held repeatedly that it is not its function to prohibit or to break up pacifist meetings or conventions, but a close scrutiny of the utterances of speakers and others at such meetings is maintained to determine possible violation of the espionage act.

Included in the investigation of alleged seditious publications and others of a character regarded as open to question, are individual newspapers and magazines published in German in this country and the advertising and other literature of the American Union Against Militarism, the People's Council, the League of Conscientious Objectors and other organizations affiliated with them or of a similar character.

Prosecutions Believed Near

The time is not far distant, however, in the opinion of some officials, when the government will begin prosecutions. Hundreds of newspaper and magazine articles, whose propriety admittedly is open to two interpretations, have been placed before officials here. In most instances, it is said, these articles have been cleverly worded so as to bring them virtually within the law, while at the same time creating the effect desired.

A large number of the articles and editorials under investigation do not attack the government, but centre their criticism upon allies of the United States. What proceedings, if any, can be taken in these instances, it was said, depends wholly upon the wording of each individual article.

Pacifist Moves Of Chicago Mayor Under Scrutiny

Department of Justice to Second Investigation of Security League

[Special Correspondence]
CHICAGO, Sept. 5.—The Federal Department of Justice is ready to investigate the alleged seditious acts of Mayor Thompson. This was assured to-day when various agencies seeking that end held closed meetings to plan procedure against the Mayor. The recent anti-war meeting, held with his consent, and recent interviews in which he denounced the policy of the government will form the basis of the contemplated action.

Preliminary arrangements were made to-day by the general committee of the Chicago branch of the National Security League to hold a great mass meeting in the loop district within the next week to effect the effects of the peace meeting held last Sunday. An invitation will be extended to Elihu Root, of New York, to deliver the principal address at the meeting.

The committee adopted resolutions at a luncheon at the Union League Club branding the recent actions of Mayor Thompson seditious. Several of the city's prominent lawyers were set to work outlining plans for bringing the Thompson matter before the Federal authorities. John S. Miller and Frank L. Shepard, attorneys, who are members of the committee, are said to have expressed confidence that the matter was one for the government to handle.

H. H. Merrick, president of the local branch of the league, announced that he would make formal complaint against "The Republican," recognized as the Mayor's organ, on the ground that the paper has published seditious matter in connection with the government's conduct of the war.

Governor Lowden held a private conference with the sub-committee of the National Security League, which earlier had adopted a resolution denouncing the Mayor as unpatriotic, and heartily indorsed the purposes of the league.

Assurance was given members of the sub-committee by the Chicago representative of the Federal Department of Justice that the league was working in the right direction with its campaign against the Mayor, and that the results of the investigation of an immediate Federal investigation.

A demonstration of soldiers against fifty automobile parties constituting a delegation of the William Hall Thompson County Security League, bound for the city, was held at the intersection of the Mayor's route and the route of the delegation. The Mayor was riding. Citizens joined in the demonstrations and other banners were torn from machines.

The man who looked like the Mayor was asked: "What are you doing with an American flag?" There were hisses, cat-calls, cries of "Slacker," "Kaiser" and the like.

A boy at Thirty-third Street, similarly asked, tried to present the "Mayor" with a German flag, but the emblem fell to the pavement, where it was obliterated by passing vehicles.

German-Americans (From the State-Zeitung, September 5.)

As may easily be conceived, the sinking of the Austria by the U-boats has, in the club of Fifth Avenue, aroused great indignation at the House. The Austria had the most powerful cargo of Scotch whiskey that ever was carried by a good vessel in the Samaritan service of the Anglo-Saxon democracy. The Austria demands special revenge.

Militants Get Sixty Days Eleven Women Sentenced for Picketing President Wilson

WASHINGTON, Sept. 5.—Eleven of the militants of the National Woman's party arrested yesterday while picketing the President's reviewing stand at the parade of the National Army men were sentenced to-day to sixty days in the workhouse. They did not appeal and began serving time.

Big Comedy Hit, "A Tailor-Made Man," Cohen & Harris Theatre, W. 42nd St.—Advt.

Marshals in Many Cities Act on Orders From At- torney General

Socialist Papers In Chicago Taken

Move Follows Nation-Wide Inquiry Into Seditious Charges

WASHINGTON, Sept. 5.—The government to-day took drastic action to end the anti-war propaganda and activities conducted in the name of the Industrial Workers of the World, the Socialist party and other organizations throughout the United States.

On orders from Attorney General Gregory, United States marshals in many towns and cities descended at 2 p. m., central time, upon local headquarters of the Industrial Workers of the World, seized books, checks, correspondence and other documents, and, in some instances, arrested officials found upon the premises.

In Chicago, Federal agents took possession of the national headquarters of the Socialist party, and a warrant authorizing the seizure of its documents was served upon its counsel.

Haywood Is Questioned

Among the places visited was the home of William D. Haywood, international secretary of the I. W. W. Haywood was taken into custody at the I. W. W. headquarters, but was not formally arrested. He was taken to the Federal Building with J. Louis Engdahl, a writer for the Socialist paper, but after being questioned they were allowed to go under guard.

"I expected this," Haywood said, when his office was entered. "When the President appointed Chief Justice Covington to investigate the I. W. W., I wrote to him offering him any assistance in the inquiry he was about to make. I received no reply, and I suppose this is his answer. I will help the authorities here as much as I can."

Haywood later accompanied the officials to his residence, where his effects were examined.

Seizure of Documents was Carried Out in accordance with a plan perfected here by William C. Fitts, Assistant At- torney General, working under the di- rection of the Attorney General.

Grand Jury Investigating I. W. W.

A statement issued by the Department of Justice announced that the seizure of papers was made in connection with a Federal grand jury investigation of the Industrial Workers of the World now proceeding at Chicago.

The department's action was taken on the eve of a report to President Wilson by Chief Justice Covington, of the Supreme Court of the District of Columbia, who was designated recently by the President to investigate the I. W. W.

Judge Covington has completed his investigation, which lasted several weeks and took him to the Pacific Coast. He probably will report presently to President Wilson to-morrow.

Whether the concerted action of marshals throughout the country was in any way related to Judge Covington's investigation was not disclosed. It is known, however, that Judge Covington made a special study of the activities of the Industrial Workers of the World. It was soon after he reached the Northwest that twenty-seven leaders of the organization were arrested by Idaho National Guardsmen, the day before the time set for a general strike in Washington, Oregon, Montana and Idaho.

Charges Not Made Public

The charges against leaders of the organization under arrest, or whose arrest is contemplated, were not made public here. It was said at the Department of Justice that these would have to be determined by the grand jury investigating the organization.

Officials also declined to state if indictments had been found by grand juries in Chicago or elsewhere against Industrial Workers of the World leaders. It was intimated, however, that the investigation had only begun. Indications are that Federal grand juries in other cities will be called upon also to investigate the activities of the organization.

For many weeks the activities of Industrial Workers of the World leaders have been under close scrutiny of the department's Bureau of Investigation. Scores of field workers, chiefly in the West and Middle West, have devoted their undivided attention to alleged attempts on the part of leaders to embarrass the government in the conduct of the war by strikes and other disturbances made in the name of labor.

These activities have never been regarded here as a labor movement. They have been held to be political and, in some instances, conducted with a view solely to war crippling and hamper the government in exercising its full strength in carrying on the war.

Austrians Active in Strife

Charges of many complexities have been received by the department in connection with the organization's activities. Recently it was charged that included in the ranks of the Industrial Workers of the World were many Austrians who have been active in stirring up strife intended to hamper American industries doing work handled by Germans before the United States declared a state of war existing with Germany.

Continued investigation has failed, it is understood, to connect these activities with German money. The department has determined the principal reservoirs